

NORTH CAROLINA RATE BUREAU

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March 14, 1994

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Medical Payments Rating Methodology

By Rate Bureau Circular A-94-3 dated February 9, 1994, member companies were furnished information, included in the Rate Bureau's February 1, 1994 filing proposing revised private passenger auto insurance rates, regarding a proposal for changes in procedures and factors for determining increased limits medical payments coverage premiums.

The February 9 circular letter included a memorandum which set forth proposed increased limits medical payments coverage rating factors to be included in Rule 18.D. in the Personal Auto Manual. Rule 18.D only includes coverage limits of \$10,000 and higher. The Rule does not include rating factors for coverage limits above \$500 and below \$10,000 which are shown on the State Rate Pages. To supplement the previously distributed information, following are the rating factors for the coverage limits displayed on the State Rate Pages:

<u>Coverage Limit</u>	<u>Rating Factor</u>
\$ 500	1.00
750	1.33
1,000	1.60
2,000	2.34
5,000	3.38

Please see to it that this circular letter is brought immediately to the attention of all interested personnel in your Company and that appropriate preparations are made such that implementation of the revised rating factors can be expedited once you are instructed to implement the revised factors by the Rate Bureau.

Very truly yours,

John W. Watkins

General Manager

JWW:dp

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